

**Investment Objective:** Achieving long term capital growth in real terms and steadily increasing income. Our aim is to achieve a higher rate of total return than the FTSE Actuaries All-Share Index Total Return through investing in a diversified portfolio of stocks.

## Fund Managers' Comments

In December the Trust's net asset value (cum income, with debt at fair value) fell 0.2%, outperforming the FTSE All-Share benchmark which fell 1.2%. With debt at par, the Trust's NAV fell 0.5%.

December was a broadly weak month for the UK equity market, as economic data modestly disappointed at a time when inflation appeared stubbornly (although only moderately) higher than the Bank of England's 2% inflation target. This has led to fears of 'stagflation' (a period of subdued economic growth but higher prices), creating an interesting backdrop in our view if the economic outlook does not prove as bad as feared while UK valuation levels remain low.

The best performers within the portfolio in December included early stage company investor IP Group, which rose from a depressed valuation level on the news that two of its holdings had received cash offers. Aerospace equipment manufacturer Senior also recovered on the news that Boeing (one of its largest customers) had managed to reach a resolution with workers to end their strike. In contrast, among the detractors was gene sequencer Oxford Nanopore, which fell on little news but where the life science end market (particularly in geographies like China) remains challenging.

During the month we took profits in a number of holdings that have performed well and re-rated to higher valuation levels including Marks & Spencer and Natwest. The proceeds were used to add to existing positions including budget hotel operator Whitbread (owner of Premier Inn) and fuel cell manufacturer AFC Energy. There were also two small starter positions taken in consumer lender Lloyds (which has materially underperformed peer Natwest) and speciality chemicals producer Croda.

**James Henderson and Laura Foll**  
Janus Henderson

## LWDB

|                           |                  |
|---------------------------|------------------|
| <b>Launch date</b>        | 12 December 1889 |
| <b>Financial year end</b> | 31 December      |
| <b>Market cap</b>         | £1,177.74m       |
| <b>Benchmark</b>          | FTSE All-Share   |
| <b>AIC sector</b>         | UK Equity Income |

## Portfolio Information

|   |               |
|---|---------------|
| <b>NAV (debt at fair value)</b>           | £1,152.87m    |
| <b>NAV per ordinary share</b>             | 874.14p       |
| <b>Share price</b>                        | 893.00p       |
| <b>Premium/(Discount)</b>                 | 2.16%         |
| <b>AIC gross total assets</b>             | £1,274m       |
| <b>AIC gearing – AIC (net)</b>            | 11.50%        |
| <b>Dividend quarterly</b>                 | 8.00p         |
| <b>Dividend yield</b>                     | 3.71%         |
| <b>Next expected dividend declaration</b> | 12 March 2025 |
| <b>Ongoing charges†</b>                   | 0.48%         |
| <b>Management fee</b>                     | 0.30%         |
| <b>Performance fee</b>                    | None          |

† Ongoing charges based on published interim or annual report.

The share price source is Refinitiv. All other information is produced based on performance data held by The Law Debenture Corporation p.l.c. Where applicable, our performance metrics, including the NAV, are calculated in accordance with AIC methodology.

## Performance Overview



|  | YTD % | 1 year % | 3 years % | 5 years % | 10 years % |
|--|-------|----------|-----------|-----------|------------|
| NAV total return (with debt at par) <sup>1</sup>         | 13.5  | 13.5     | 14.7      | 43.8      | 119.1      |
| NAV total return (with debt at fair value) <sup>1</sup>  | 13.8  | 13.8     | 24.8      | 56.4      | 133.6      |
| FTSE Actuaries All-Share Index total return <sup>2</sup> | 9.5   | 9.5      | 18.5      | 26.5      | 81.9       |
| Share price total return <sup>2</sup>                    | 15.9  | 15.9     | 25.8      | 72.4      | 147.5      |
| Change in Retail Price Index <sup>3</sup>                | 3.5   | 3.9      | 23.4      | 34.3      | 52.3       |

Please remember that past performance does not predict future returns. The value of an investment and the income from it can rise as well as fall as a result of market and currency fluctuations, and you may not get back the amount originally invested.

For those statistics which include the fair valuation of the IPS business, the IPS valuation is based on the latest published interim or annual report.

<sup>1</sup> NAV is calculated in accordance with the Association of Investment Companies (AIC) methodology, based on performance data held by Law Debenture including fair value of IPS business and long-term borrowings.

<sup>2</sup> Source: FTSE All-Share and share price data is provided by Refinitiv.

<sup>3</sup> Source: Office for National Statistics, subject to latest published RPI, December 2024.

136 years  
of history

+52%  
outperformance of benchmark  
over ten years – NAV at FV

40+ years  
of increasing or  
maintaining dividends

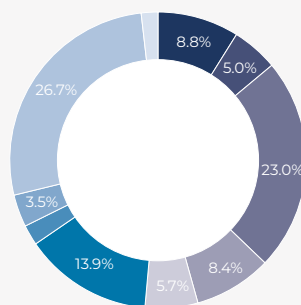
Long-term  
track record of value creation  
for shareholders

## Top Equity Portfolio Holdings (%)

|    |                         |     |
|----|-------------------------|-----|
| 1  | Flutter Entertainment   | 3.8 |
| 2  | HSBC                    | 3.3 |
| 3  | Barclays                | 3.0 |
| 4  | Shell                   | 3.0 |
| 5  | Rolls Royce             | 2.3 |
| 6  | BP                      | 2.1 |
| 7  | GlaxoSmithKline         | 2.1 |
| 8  | Standard Chartered      | 1.8 |
| 9  | Tesco                   | 1.8 |
| 10 | Rio Tinto               | 1.7 |
| 11 | National Grid           | 1.5 |
| 12 | Marks & Spencer         | 1.4 |
| 13 | J Sainsbury plc         | 1.4 |
| 14 | Herald Investment Trust | 1.4 |
| 15 | Senior                  | 1.4 |

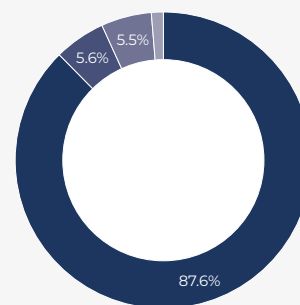
References made to individual securities do not constitute a recommendation to buy, sell or hold any security, investment strategy or market sector, and should not be assumed to be profitable.

## Sector Breakdown



|                    |       |
|--------------------|-------|
| Oil & Gas          | 8.8%  |
| Basic Materials    | 5.0%  |
| Industrials        | 23.0% |
| Consumer Goods     | 8.4%  |
| Health Care        | 5.7%  |
| Consumer Services  | 13.9% |
| Telecommunications | 2.2%  |
| Utilities          | 3.5%  |
| Financials         | 26.7% |
| Technology         | 1.8%  |

## Regional Breakdown



|               |       |
|---------------|-------|
| UK            | 87.6% |
| North America | 5.6%  |
| Europe        | 5.5%  |
| Japan         | 1.3%  |

## Equity Portfolio

Managed by James Henderson and Laura Foll of Janus Henderson

### OBJECTIVE: LONG-TERM CAPITAL GROWTH IN REAL TERMS AND STEADILY INCREASING INCOME

- Focused on long-term returns
- Contrarian investment style:
  - High quality companies with strong competitive advantage at attractive valuations
  - Out of favour equities standing at valuation discounts to their long-term historical average
- Selective, bottom-up approach
- Diversified portfolio by sector (predominant UK weighting)

Significant, consistent income contribution from IPS gives greater flexibility in stock selection

## Independent Professional Services (IPS) business

### PENSIONS

The longest established and one of the largest UK providers of pension trustee services

### CORPORATE TRUST

A leading independent corporate trustee across international capital markets

### CORPORATE SERVICES

Range of outsourced solutions to corporates internationally

### INTERNATIONAL PRESENCE

United Kingdom, New York, Ireland, Hong Kong, Delaware, Cayman Islands and Channel Islands

We believe that all divisions have potential for further growth in expanding markets. Our plan to achieve this is by increasing our market share through better leveraging of technology, our strong relationships and our brand

## James Henderson and Laura Foll – Joint Portfolio Managers

James and Laura have been working together for over ten years managing UK income portfolios. They have a valuation-focused, moderately contrarian approach, aiming to identify good quality companies at the point where they are temporarily out of favour.

### Denis Jackson – CEO

Appointed as CEO in 2018. Denis was formerly the director of new business enterprise at Capita and joined Law Debenture as Chief Commercial Officer in 2017. Prior to that, he spent 20 years at Citigroup before becoming regional general manager for Tibra Trading Europe Limited.

Email: Denis.Jackson@lawdeb.com

### Trish Houston – COO

Trish was appointed as COO in September 2020. She is a Chartered Accountant and Member of the Chartered Institute of Securities and Investments, and previously held roles at JDx Consulting Limited, Ruffer LLP and PwC.

Email: Trish.Houston@lawdeb.com

## Company specific risks

- This trust is suitable to be used as one component in several in a diversified investment portfolio. Circa 19 per cent. of the net asset value (NAV) of the trust's portfolio is an investment in an independent professional service company. Investors should consider carefully the proportion of their portfolio invested into this trust.
- Active management techniques that have worked well in normal market conditions could prove ineffective or detrimental at other times.
- The trust could lose money if a counterparty with which it trades becomes unwilling or unable to meet its obligations to the trust.
- Shares can lose value rapidly, and typically involve higher risks than bonds or money market instruments. The value of your investment may fall as a result.
- The return on your investment is directly related to the prevailing market price of the trust's shares, which will trade at a varying discount (or premium) relative to the value of the underlying assets of the trust. As a result losses (or gains) may be higher or lower than those of the trust's assets.
- The trust holds an investment in the IPS business which are wholly owned subsidiaries and private shares.
- If a trust's portfolio is concentrated towards a particular country or geographical region, the investment carries greater risk than a portfolio diversified across more countries.
- The trust may use gearing as part of its investment strategy. If the trust utilises its ability to gear, the profits and losses incurred by the trust can be greater than those of a trust that does not use gearing.

## Important information

- **Not for onward distribution. Before investing in an investment trust referred to in this document, you should satisfy yourself as to its suitability and the risks involved, you may wish to consult a financial adviser. This is a marketing communication. Please refer to the AIFMD Disclosure document, key investor document and Annual Report of the AIF before making any final investment decisions. Past performance does not predict future returns. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. NAV performance is not the same as share price performance and investors may not realise returns in line with NAV performance. Tax assumptions and reliefs depend upon an investor's particular circumstances and may change if those circumstances or the law change. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment. It does not form part of any contract for the sale or purchase of any investment.**
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